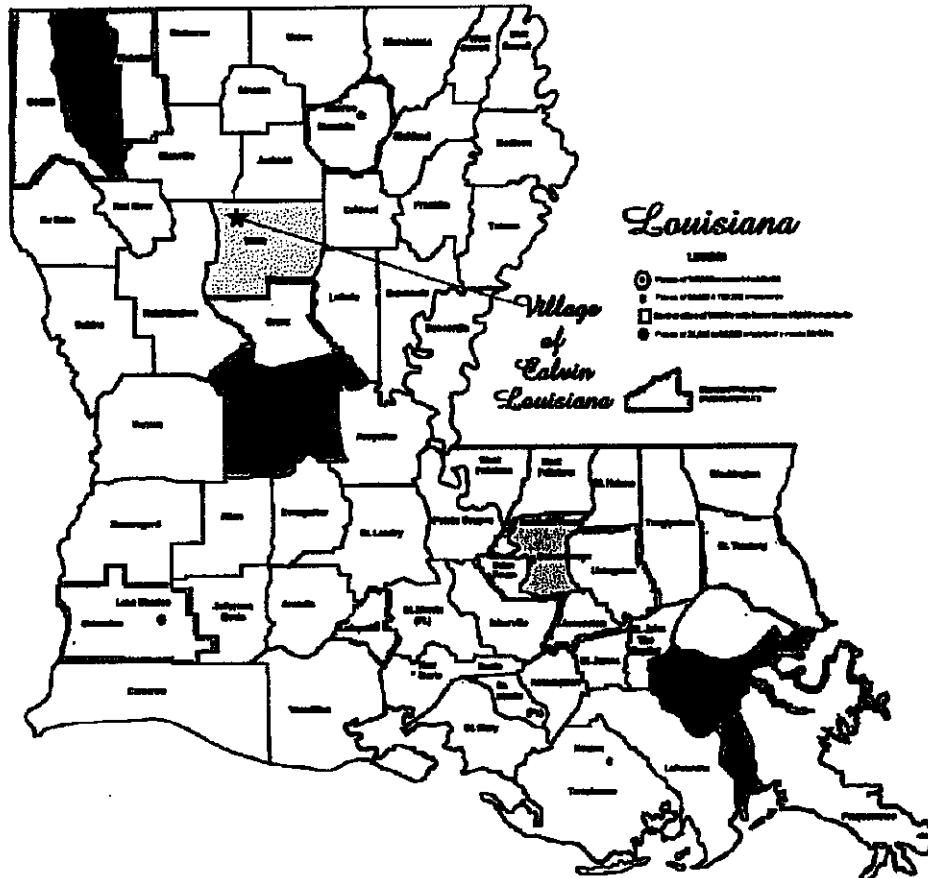


VILLAGE OF CALVIN, LOUISIANA
Annual Financial Statements
JUNE 30, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/12/08

VILLAGE OF CALVIN, LOUISIANA



The Village of Calvin was incorporated under the Lawrason Act in October 2, 1951. The Village operates under the Mayor-Board of Alderman form of government. The Village provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

Village of Calvin, Louisiana
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JOHN R. VERCHER PC

Certified Public Accountant

P.O. Box 1608
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

ACCOUNTANT'S COMPILATION REPORT

The Honorable Bob Carpenter, Mayor
and Members of the Board of Aldermen
Calvin, Louisiana

We have compiled the accompanying basic financial statements of the governmental activities, the business type activities, and each major fund of the Village of Calvin, Louisiana, as of and for the year ended June 30, 2007, which collectively comprise the Village's basic financial statements as listed in the table of contents, in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The management's discussion and analysis and budgetary comparison information, on pages 1 through 5 and page 25, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

John R. Vercher PC

January 29, 2008
Jena, Louisiana

Village of Calvin

PO Box 180

Calvin, Louisiana 71410

Tel: (318) 727-9276

Fax: (318) 727-9277

MANAGEMENTS DISCUSSION AND ANALYSIS

As management of the Village, we offer readers of the Village of Calvin's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended June 30, 2007. We encourage readers to consider the information presented here in conjunction with the Village's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Governmental Funds

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$135,722 (*net assets*). This is a \$3,813 decrease from last year.
- The Village had total revenue of \$12,141, in which \$9,318 came from fees and charges. This is a \$1,140 decrease from last year's revenues, mainly due to a decrease in fees & charges in the amount of \$802.
- The Village had total expenditures of \$47,102, which is a \$23,428 increase from last year. This increase is due mainly to an increase in personnel expenditures in the amount of \$14,180 and an increase in repairs & maintenance in the amount of \$7,880.

Enterprise Funds

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$503,252 (*net assets*). This is a \$30,615 decrease from last year.
- The Village had total revenue of \$72,883, including operating revenues of \$71,141 and non-operating revenues of \$1,742. This is a \$2,407 increase from last year, mainly due to an increase in sewer charges in the amount of \$2,715.
- The Village had total expenses of \$59,898 and total transfers out in the amount of \$43,600. Total expenses decreased by \$5,859 compared to last year, mainly due to a decrease in other operating expenses in the amount of \$4,539.

MD&A

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Village is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

USING THIS ANNUAL REPORT

The Village's annual report consists of financial statements that show information about the Village's funds, enterprise funds and governmental funds.

Our auditor has provided assurance in his independent auditor's report, located immediately following this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

Reporting the Village's Most Significant Funds

The Village's financial statements provide detailed information about the most significant funds. The Village may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. The Village's enterprise fund uses the following accounting approach:

All of the Village's services are reported in an enterprise fund. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

MD&A

Comparative Statement of Net Assets Governmental Funds

The following table represents a Comparative Statement of Net Assets as of June 30, 2007:

	2006	2007	% Change
Assets			
Cash & Investments	\$ 17,819	\$ 26,458	48.5%
Receivables (Net)	102	102	0.0%
Prepaid Assets	1,324	1,324	0.0%
Capital Assets, Net of Accumulated Depreciation	121,765	109,313	-10.2%
Total Assets	<u>141,010</u>	<u>137,197</u>	-2.7%
Liabilities & Net Assets			
Accounts, Salaries, & Other Payables	1,475	1,475	0.0%
Total Liabilities	<u>1,475</u>	<u>1,475</u>	0.0%
Net Assets			
Invested in Capital Assets, Net of Related Debt	121,765	109,313	-10.2%
Unrestricted	17,770	26,409	48.6%
Total Net Assets	<u>\$ 139,535</u>	<u>\$ 135,722</u>	-2.7%

Comparative Statement of Net Assets Enterprise Funds

The following table represents a Comparative Statement of Net Assets as of June 30, 2007:

	2006	2007	% Change
Assets			
Cash & Investments	\$ 85,523	\$ 82,290	-3.8%
Receivables (Net)	14,198	14,198	0.0%
Prepaid Assets & Other	51	51	0.0%
Capital Assets, Net of Accumulated Depreciation	434,095	406,713	-6.3%
Total Assets	<u>533,867</u>	<u>503,252</u>	-5.7%
Liabilities & Net Assets			
Accounts, Salaries, & Other Payables	-0-	-0-	0.0%
Total Liabilities	<u>-0-</u>	<u>-0-</u>	0.0%
Net Assets			
Invested in Capital Assets, Net of Related Debt	434,095	406,713	-6.3%
Unrestricted	99,772	96,539	-3.2%
Total Net Assets	<u>\$ 533,867</u>	<u>\$ 503,252</u>	-5.7%

MD&A

Comparative Changes in Fund Balances Governmental Funds

The following table reflects the Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2007:

	<u>2006</u>	<u>2007</u>	<u>% Change</u>
Total Revenues	\$ 13,281	\$ 12,141	-8.6%
Total Expenditures	(23,674)	(47,102)	99.0%
Total Transfers In (Out)	21,000	43,600	107.6%
Increase (Decrease) in Fund Balances	<u>10,607</u>	<u>8,639</u>	-18.6%
 Ending Fund Balances	 \$ 17,770	 \$ 26,409	 48.6%

Comparative Changes in Net Assets Enterprise Funds

The following table reflects the Comparative Statement of Revenues, Expenses, and Changes in Net Assets for the year ended June 30, 2007:

	<u>2006</u>	<u>2007</u>	<u>% Change</u>
Operating Revenues	\$ 69,340	\$ 71,141	2.6%
Non-Operating Revenues	1,136	1,742	53.3%
Total Revenues	<u>70,476</u>	<u>72,883</u>	3.4%
 Operating Expenses	 (65,757)	 (59,898)	 -8.9%
Transfers Out	(21,000)	(43,600)	107.6%
Total Expenses	<u>(86,757)</u>	<u>(103,498)</u>	19.3%
 Increase (Decrease) in Net Assets	 (16,281)	 (30,615)	 -88.0%
Ending Net Assets	 \$ 533,867	 \$ 503,252	 -5.7%

MD&A

CAPITAL ASSETS

Capital Assets – Governmental Fund

At June 30, 2007, the Village had \$109,313 invested in capital assets, including the following:

Capital Assets at Year-End		
	2006	2007
Capital Assets *	\$ 196,591	\$ 196,591
Accumulated Depreciation	(74,826)	(87,278)
Total	\$ 121,765	\$ 109,313

* This amount includes Land in the amount of \$7,162 that is not being depreciated.

Capital Assets – Enterprise Fund

At June 30, 2007, the Village had \$406,713 invested in capital assets, including the following:

Capital Assets at Year-End		
	2006	2007
Water Capital Assets *	\$ 834,102	\$ 834,102
Sewer Capital Assets *	323,556	323,556
Water Accumulated Depreciation	(506,471)	(526,018)
Sewer Accumulated Depreciation	(217,092)	(224,927)
Total	\$ 434,095	\$ 406,713

* This amount includes Land in the amount of \$16,794 that is not being depreciated.

CONTACTING THE VILLAGE'S FINANCIAL MANGEMENT:

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Village's finances and to show that the Village's accountability for the money it receives. If you have questions about this report or need additional information, contact Mayor Bob Carpenter at the Town Hall, phone number (318)727-9276.

Basic Financial Statements

Village of Calvin, Louisiana
Statement of Net Assets
June 30, 2007

	PRIMARY GOVERNMENT		
	BUSINESS-		
	GOVERNMENTAL	TYPE	
	ACTIVITIES	ACTIVITIES	TOTAL
ASSETS			
Cash & Cash Equivalents	\$ 26,458	\$ 28,271	\$ 54,729
Investments	-0-	54,019	54,019
Receivables (Net of Allowances for Uncollectable)	102	14,198	14,300
Prepaid Assets	1,324	51	1,375
Capital Assets (Net of Accumulated Depreciation)	109,313	406,713	516,026
TOTAL ASSETS	<u>137,197</u>	<u>503,252</u>	<u>640,449</u>
LIABILITIES			
Accounts, Salaries, & Other Payables	1,475	-0-	1,475
TOTAL LIABILITIES	<u>1,475</u>	<u>-0-</u>	<u>1,475</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	109,313	406,713	516,026
Unrestricted	26,409	96,539	122,948
TOTAL NET ASSETS	<u>\$ 135,722</u>	<u>\$ 503,252</u>	<u>\$ 638,974</u>

See accountant's report.
The accompanying notes are an integral part of this statement.

Statement B

Village of Calvin, Louisiana
Statement of Activities
For the Year Ended June 30, 2007

	PROGRAM REVENUES			NET REVENUES (EXPENSES) & CHANGES OF PRIMARY GOVERNMENT	
	Expenses	Charges for Services	Operating Grants & Contributions	Net (Expenses) Revenue	Business Type Activities
GOVERNMENTAL ACTIVITIES					
General Government	\$ (59,554)	\$ 9,318	\$ -0-	\$ (50,236)	\$
TOTAL GOVERNMENTAL ACTIVITIES	<u>(59,554)</u>	<u>9,318</u>	<u>-0-</u>	<u>(50,236)</u>	<u>(50,236)</u>
BUSINESS TYPE ACTIVITIES					
Sewer	(15,228)	19,500	-0-	4,272	4,272
Water	(44,670)	51,641	-0-	6,971	6,971
TOTAL BUSINESS TYPE ACTIVITIES	<u>(59,898)</u>	<u>71,141</u>	<u>-0-</u>	<u>11,243</u>	<u>11,243</u>
TOTAL PRIMARY GOVERNMENT	\$ (119,452)	\$ 80,459	\$ -0-	\$ (38,993)	
GENERAL REVENUES					
Taxes				2,823	-0-
Interest Revenue				-0-	1,742
Transfers In (Out)				43,600	(43,600)
TOTAL GENERAL REVENUES				<u>46,423</u>	<u>(41,858)</u>
CHANGE IN NET ASSETS				(3,813)	(30,615)
NET ASSETS - BEGINNING				139,535	533,867
NET ASSETS - ENDING				<u>\$ 135,722</u>	<u>\$ 503,252</u>

See accountant's report.
The accompanying notes are an integral part of this statement.

Village of Calvin, Louisiana
Balance Sheet, Governmental Funds
June 30, 2007

	<u>GENERAL FUND</u>
ASSETS	
Cash & Cash Equivalents	\$ 26,458
Investments	-0-
Receivables (Net of Allowances for Uncollectable)	102
Prepaid Assets	<u>1,324</u>
TOTAL ASSETS	<u>27,884</u>
LIABILITIES	
Accounts, Salaries, & Other Payables	<u>1,475</u>
TOTAL LIABILITIES	<u>1,475</u>
FUND BALANCE	
Unreserved, Reported In:	
General Fund	<u>26,409</u>
TOTAL FUND BALANCE	<u>26,409</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 27,884</u>

See accountant's report.
The accompanying notes are an integral part of this statement.

Village of Calvin, Louisiana
Reconciliation of The Government Funds Balance Sheet
to the Government-Wide Financial Statement of Net Assets
June 30, 2007

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund Balance, Total Governmental Funds (Statement C)		\$ 26,409
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	Capital Assets	196,591
	Accum. Depr.	<u>(87,278)</u>
		109,313
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Other		<u>-0-</u>
Net Assets of Governmental Activities (Statement A)		\$ <u>135,722</u>

See accountant's report.
The accompanying notes are an integral part of this statement.

Village of Calvin, Louisiana
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2007

	<u>GENERAL FUND</u>
REVENUES	
Fees & Charges	\$ 9,318
Taxes	<u>2,823</u>
TOTAL REVENUES	<u>12,141</u>
EXPENDITURES	
Personnel Expense	28,406
Other Administrative	1,011
Utilities	7,393
Repairs & Maintenance	<u>10,292</u>
TOTAL EXPENDITURES	<u>47,102</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(34,961)</u>
OTHER FINANCING SOURCES (USES)	
Transfers In (Out)	43,600
TOTAL OTHER FINANCING SOURCES (USES)	<u>43,600</u>
NET CHANGE IN FUND BALANCE	8,639
FUND BALANCES—BEGINNING	<u>17,770</u>
FUND BALANCES—ENDING	<u>\$ 26,409</u>

See accountant's report.
 The accompanying notes are an integral part of this statement.

Village of Calvin, Louisiana
Reconciliation of The Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2007

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total governmental Funds, Statement E	\$ 8,639
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Governmental funds report capital outlays as expenditure. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(12,452)
--	----------

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

-0-

Changes in Net Assets of Governmental Activities, statement B	\$ <u>(3,813)</u>
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See accountant's report.
The accompanying notes are an integral part of this statement.

Village of Calvin, Louisiana
Statement of Net Assets, Proprietary Funds
June 30, 2007

	BUSINESS TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	SEWER FUND	WATER FUND	TOTAL
CURRENT ASSETS			
Cash & Cash Equivalents	\$ 7,464	\$ 20,807	\$ 28,271
Investments	-0-	54,019	54,019
Receivables (Net of Allowances for Uncollectable)	1,980	12,218	14,198
Prepaid Insurance	18	33	51
TOTAL CURRENT ASSETS	<u>9,462</u>	<u>87,077</u>	<u>96,539</u>
NON-CURRENT ASSETS			
Capital Assets (Net of Accumulated Depreciation)	<u>98,629</u>	<u>308,084</u>	<u>406,713</u>
TOTAL NON-CURRENT ASSETS	<u>98,629</u>	<u>308,084</u>	<u>406,713</u>
TOTAL ASSETS	<u>108,091</u>	<u>395,161</u>	<u>503,252</u>
LIABILITIES			
Accounts, Salaries, & Other Payables	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL LIABILITIES	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	98,629	308,084	406,713
Unrestricted	9,462	87,077	96,539
TOTAL NET ASSETS	<u>\$ 108,091</u>	<u>\$ 395,161</u>	<u>\$ 503,252</u>

See accountant's report.
The accompanying notes are an integral part of this statement.

Village of Calvin, Louisiana
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
June 30, 2007

	BUSINESS TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	SEWER FUND	WATER FUND	TOTAL
OPERATING REVENUES			
Charges for Services	\$ 19,500	\$ 51,641	\$ 71,141
TOTAL OPERATING REVENUES	<u>19,500</u>	<u>51,641</u>	<u>71,141</u>
OPERATING EXPENSES			
Office Expense	1,059	3,857	4,916
Maintenance & Repair	1,764	7,338	9,102
Depreciation	7,835	19,547	27,382
Other Operating	2,093	8,175	10,268
Utilities	2,477	5,753	8,230
TOTAL OPERATING EXPENSES	<u>15,228</u>	<u>44,670</u>	<u>59,898</u>
OPERATING INCOME (LOSS)	<u>4,272</u>	<u>6,971</u>	<u>11,243</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	207	1,535	1,742
Transfers In/(Out)	(19,050)	(24,550)	(43,600)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(18,843)</u>	<u>(23,015)</u>	<u>(41,858)</u>
CHANGE IN NET ASSETS	(14,571)	(16,044)	(30,615)
TOTAL NET ASSETS – BEGINNING	<u>122,662</u>	<u>411,205</u>	<u>533,867</u>
TOTAL NET ASSETS – ENDING	<u>\$ 108,091</u>	<u>\$ 395,161</u>	<u>\$ 503,252</u>

See accountant's report.
The accompanying notes are an integral part of this statement.

Village of Calvin, Louisiana
Statement of Cash Flows
Proprietary Funds
June 30, 2007

	BUSINESS TYPE ACTIVITIES		
	ENTERPRISE FUNDS		
	SEWER FUND	WATER FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers & Users	\$ 19,500	\$ 51,641	\$ 71,141
Payments to Suppliers	(7,393)	(25,123)	(32,516)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>12,107</u>	<u>26,518</u>	<u>38,625</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers To Other Funds	(19,050)	(24,550)	(43,600)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(19,050)</u>	<u>(24,550)</u>	<u>(43,600)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds From Sales & Maturities of Investments	207	1,535	1,742
Sale of Investments	-0-	(5,255)	(5,255)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>207</u>	<u>(3,720)</u>	<u>(3,513)</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	<u>(6,736)</u>	<u>(1,752)</u>	<u>(8,488)</u>
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	<u>14,200</u>	<u>22,559</u>	<u>36,759</u>
CASH & CASH EQUIVALENTS, END OF YEAR	<u>7,464</u>	<u>20,807</u>	<u>28,271</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	4,272	6,971	11,243
Depreciation Expense	7,835	19,547	27,382
(Increase) Decrease in Accounts Receivable	-0-	-0-	-0-
(Increase) Decrease in Prepaid Assets	-0-	-0-	-0-
Increase (Decrease) in Accounts Payables	-0-	-0-	-0-
TOTAL ADJUSTMENTS	<u>7,835</u>	<u>19,547</u>	<u>27,382</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 12,107</u>	<u>\$ 26,518</u>	<u>\$ 38,625</u>

See accountant's report.
The accompanying notes are an integral part of this statement.

**Notes To The Basic
Financial Statements**

Village of Calvin, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Calvin was incorporated under the provisions of the Lawrason Act. The Village operates under the Mayor-Board of Alderman form of government. The Village provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water, gas and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

The Village applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

The accounting and reporting policies of the Village of Calvin conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Village of Calvin, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental funds:

The General Fund is the municipality's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund

The municipality reports the following major proprietary fund:

- Enterprise Fund-Water and Sewer

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Village of Calvin, Louisiana

NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Village has a policy of applying expenses to restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

C. FIXED ASSETS

For the year ended June 30, 2007, no interest costs were capitalized for construction of fixed assets.

Depreciation of all exhaustible fixed assets is charged as an expense against its operations. Accumulated depreciation is reported on the proprietary fund balance sheet and governmental fund statement of activities. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

	<u>Life In Years</u>
Buildings	40
Water System	40
Sewer System	40
Equipment	5-10

D. BUDGETS & BUDGETARY ACCOUNTING

The Village follows these procedures in establishing the budgetary data reflected in these financial statements:

- (1) The Village clerk prepares a proposed budget based on departmental group budget requests, and submits the same to the Mayor and Board of Aldermen for approval.
- (2) The Village does not utilize the budget in comparison form in financial statement presentation during the year.
- (3) All budgetary appropriations lapse at the end of the fiscal year.

Village of Calvin, Louisiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

(4) The Village does not utilize encumbrance accounting.

(5) The budget was amended during the year.

E. CASH & INVESTMENTS

All cash and investments (CD's over 90 days) are reported at cost and are on deposit as following federally insured banks:

It is the Village's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Village's deposits are categorized to give an indication of the level of risk assumed by the Village at fiscal year-end. The categories are described as follows:

- *Category 1* – Insured or collateralized with securities held by the School or by its agent in the Village's name.
- *Category 2* – Collateralized with securities held by the pledging financial institution's trust department or agent in the Village's name.
- *Category 3* – Uncollateralized.

<u>Bank</u>	<u>Bank Balance</u> <u>6-30-2007</u>
Bank of Winnfield	\$ <u>108,748</u>

Amounts on deposit at the bank are secured by the following:

<u>Description</u>	<u>Market Value</u>
FDIC (<i>Category 1</i>)	\$ <u>108,748</u>

F. INVENTORIES

Immaterial amounts of inventory are maintained for general fund and enterprise fund operations and, accordingly, these supplies are expensed as purchased.

Village of Calvin, Louisiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

**G. ACCOUNTS RECEIVABLE & BAD DEBTS – GENERAL FUND &
ALLOWANCE FOR BAD DEBTS – ENTERPRISE FUND**

At June 30, 2007 no reserve for bad debts was required in the general fund since the estimated uncollectable receivables outstanding were considered immaterial.

	Enterprise Fund		Governmental Fund
	Water Fund	Sewer Fund	General Fund
Tax & License	\$ -0-	\$ -0-	\$ 130
Customer	13,564	2,653	-0-
Allowance for Bad Debts	(1,346)	(673)	(28)
Total	\$ 12,218	\$ 1,980	\$ 102

H. COMPENSATED ABSENCES

The Village has no compensated absence policy.

(2) AD VALOREM TAXES

The Village levies taxes on real and business personal property located within its boundaries. The Village utilizes the services of the Winn Parish Tax Assessor to assess the property values and prepare the Village's property tax roll. The Village bills and collects its own property taxes.

Property Tax Calendar	
Assessment Date	January 1
Levy Date	No Later Than June 1
Tax Bills Mailed	On or About October 15
Total Taxes Are Due	December 31
Penalties and Interest are Added	January 1
Lien Date	January 1

Ad Valorem Taxes are broken down as follows:

	<u>Mills</u>
General Alimony	<u>5.5</u>

Village of Calvin, Louisiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

(3) FIXED ASSETS

PROPERTY ENTERPRISE FUND: PLANT & EQUIPMENT

A summary of enterprise fund property, plant and equipment at June 30, 2007, is as follows:

	Balance 6-30-2006	Additions (Deletions)	Balance 6-30-2007
Water			
Distribution System & Equipment	\$ 834,102	\$ -0-	\$ 834,102
Accumulated Depreciation	(506,471)	(19,547)	(526,018)
Net	<u>327,631</u>	<u>(19,547)</u>	<u>308,084</u>
Sewer			
Plant & Equipment	323,556	-0-	323,556
Accumulated Depreciation	(217,092)	(7,835)	(224,927)
Net	<u>\$ 106,464</u>	<u>\$ (7,835)</u>	<u>\$ 98,629</u>

*Land in the amount of \$16,794 is not being depreciated.

Enterprise fund assets are depreciated on the straight-line basis using the following useful lives:

Sewer Plant	40 Years
Water Plant	40 Years
Equipment	5-10 Years

GOVERNMENTAL FUND

A summary of governmental fund depreciable assets at June 30, 2007, is as follows:

	Balance 6-30-2006	Additions (Deletions)	Balance 6-30-2007
Fixed Assets	\$ 196,591	\$ -0-	\$ 196,591
Accumulated Depreciation	(74,826)	(12,452)	(87,278)
Net	<u>\$ 121,765</u>	<u>\$ (12,452)</u>	<u>\$ 109,313</u>

*Land in the amount of \$7,162 is not being depreciated.

Government fund assets are depreciated on the straight-line basis using the following useful lives:

Equipment	5-10 Years
Buildings & Improvements	40 Years

Village of Calvin, Louisiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

(4) LITIGATION

The Village of Calvin is involved in no litigation at June 30, 2007, which is not covered by the Village's applicable insurance policies or is considered to be significant to the Village's financial statements.

(5) ELECTED OFFICIAL'S SALARIES

<u>Name</u>	<u>Title</u>	<u>Salary</u>
Bob Carpenter	Mayor	\$ 2,400
Mike Carpenter	Alderman	1,200
Bobby D. Canerday	Alderman	1,200
Jeff Canerday	Alderman	\$ 1,200

(6) USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(7) RETIREMENT PLANS

The Village does not offer its employees a retirement plan. All employees are in the social security system.

(8) TRANSFERS

<u>Transfers From/To Other Funds</u>			
<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Total</u>
General	\$ 43,600	\$ -0-	\$ 43,600
Water	-0-	(24,550)	(24,550)
Sewer	-0-	(19,050)	(19,050)
Total	\$ 43,600	\$ (43,600)	\$ -0-

The transfer to the general fund was made for general expenditures.

Required Supplemental Information

Village of Calvin, Louisiana
Statement of Revenues, Expenditures, & Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2007

	BUDGET AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	BUDGET TO ACTUAL DIFFERENCES FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Fees & Charges	\$ 15,430	\$ 9,400	\$ 9,318	\$ (82)
Taxes	3,161	2,822	2,823	1
TOTAL REVENUES	<u>18,591</u>	<u>12,222</u>	<u>12,141</u>	<u>(81)</u>
EXPENDITURES				
Personnel Expense	14,337	36,100	28,406	7,694
Other Administrative	2,074	1,334	1,011	323
Utilities	5,397	7,565	7,393	172
Repairs & Maintenance	2,412	2,654	10,292	(7,638)
TOTAL EXPENDITURES	<u>24,220</u>	<u>47,653</u>	<u>47,102</u>	<u>551</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,629)</u>	<u>(35,431)</u>	<u>(34,961)</u>	<u>470</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	21,000	36,650	43,600	6,950
TOTAL OTHER FINANCING SOURCES (USES)	<u>21,000</u>	<u>36,650</u>	<u>43,600</u>	<u>6,950</u>
NET CHANGE IN FUND BALANCE	<u>\$ 15,371</u>	<u>\$ 1,219</u>	<u>8,639</u>	<u>\$ 7,420</u>
FUND BALANCES—BEGINNING			<u>17,770</u>	
FUND BALANCES—ENDING			<u>\$ 26,409</u>	

See accountant's report.
The accompanying notes are an integral part of this statement.

Other Reports

VILLAGE OF CALVIN, LOUISIANA

MANAGEMENT LETTER COMMENTS

During the course of our compilation, we observed conditions and circumstances that may be improved. Below are situations that may be improved (if any) and recommendations for improvements.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

2007-M-1 Annual Filing of Financial Statements

Finding: LSA-RS 24:514, LSA-RS 33:463, and/or LSA-RS 39:92, as applicable, require that governmental units file their financial statements annually with the Legislative Auditor's Office within six months of the entity's year end closing.

Recommendation: The Village should have its financial statements filed with the Legislature Auditor's Office within six months of the year end closing.

VILLAGE OF CALVIN, LOUISIANA

MANAGEMENT'S CORRECTIVE ACTION FOR CURRENT YEAR FINDINGS

CURRENT YEAR FINDINGS

	DESCRIPTION OF FINDINGS	CORRECTIVE ACTION PLANNED	CONTACT PERSON	ANTICIPATED COMPLETION DATE
2007-M-1	Annual Filing of Financial Statements	The Village will begin filing its financial statements within six months of its year end closing.	Bob Carpenter	June 30, 2008

VILLAGE OF CALVIN, LOUISIANA

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Village of Calvin, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial compilation for the year ended June 30, 2006.

PRIOR YEAR FINDINGS

There were no prior year findings.